

## New forgivable loan bill passed

As of July 1, 1999, the remediation of that brownfield property in your neighborhood could become less expensive. If the project meets community determined economic development goals, it could be eligible to receive forgivable loans for up to 20 percent of the loaned amount.

As part of Indiana's brownfields initiative, Gov. Frank O'Bannon signed into law House Enrolled Act 1909. HEA 1909 allows for the Indiana Development Finance Authority (IDFA) to deposit appropriations or other money received under the Environmental Remediation Revolving Loan Fund Program into a subaccount of the Environmental Remediation Revolving Loan Fund. This fund would be used to award forgivable loans to political subdivisions for remediation or other brownfield redevelopment activities.

As with the current grant and loan programs, projects must meet certain existing economic and public participation requirements. A project may be given priority for a forgivable loan if it meets one or both of the following criteria:

- Involves an abandoned gas station or underground storage tank; or
- Is located within one-half mile of a child care center, home or institution; a school age child care



*Gov. Frank O'Bannon authorizes the forgivable loan provision included in HEA 1909, which modifies the Environmental Remediation Revolving Loan Fund.*

program; or an elementary or secondary school attended by students in kindergarten through grade 12.

A political subdivision must develop and meet economic development or redevelopment goals and a schedule for their attainment specific to the loan project. These goals can include nonbusiness use such as parks or green space.

This new forgivable loan subaccount will start with a \$5 million appropriation. Like other loans from the Environmental Remediation Revolving Loan Fund, a maximum

loan amount of up to 10 percent of the monies in the subaccount is allowed, making the maximum forgivable loan amount \$500,000. Not more than 20 percent of the total amount of a loan for an eligible brownfield project may be forgiven. In addition to the loan terms, the financial assistance agreement for a project to be financed with a forgivable loan must specify economic development or redevelopment goals for the project. These goals must be achieved before the political subdivision will be released from its obligation to repay the forgivable loan.

When used with other programs, a forgivable loan can greatly enhance a community's ability to address environmental concerns at brownfield properties. For further information, please contact Greta Hawvermale or Kyle Hendrix, or visit the IDFA or IDEM Web site.

### What gives a brownfields project priority for a forgivable loan?

- An abandoned gas station or underground storage tank; or
- Property within one-half mile of a child care center, home or institution; school age child care program; or elementary or secondary school.

## Community initiatives

Information provided by Carol-Ann Seaton, executive director, NIBRP.

The Northwest Indiana Brownfield Redevelopment Project Inc. was established in 1996 as a cooperative effort among civic and business leaders, environmental groups, labor organizations, government representatives, and other citizens of Gary, Hammond and East Chicago to comprehensively address their brownfields. In the same year, the project was granted U.S. Environmental Protection Agency Assessment Pilot Status. The success of the three city effort, in particular the widely recognized West Point site in Hammond, was the cornerstone in obtaining Empowerment Zone Status for the area.

The project has helped foster collaborative relationships with other stakeholders in the community who also have an interest in the effects of brownfields on the community. These efforts have been most effective in activities such as the following:

- In conjunction with the League of Women Voters and the Urban League of Northwest Indiana, the project held a series of nine informational forums, which were televised on two local access television stations, prior to the May primary to raise the consciousness of the citizens on brownfields redevelopment, environmental issues and brownfield job training programs. Over 300 people attended the last forum.
- A group of more than 70 senior students at Central High School in East Chicago has been working on bioremediation with chemists

## Questions and Answers

**Q:** Can money from Indiana's Excess Liability Fund be used for brownfield remediation activities at underground storage tank facilities?

**A:** It is possible, but unlikely. Before a facility is considered eligible for ELF money, the owner or operator of the facility must maintain registration of the underground storage tanks and ensure they comply with all applicable regulations. Because most brownfields are abandoned sites with no known responsible party, it is unlikely that underground storage tanks at a brownfield are eligible for ELF money. However, the Abandoned Tank Community Assistance Program, discussed in the previous issue of the *Brownfields Bulletin*, is intended to address some of these brownfield sites. For further information, contact Kyle Hendrix.

and environmental scientists at Argonne National Laboratory.

The project is helping these students develop a year round greenhouse for planting materials. The students are expected to use the plants on project-designated pilot sites both to beautify the sites and to aid in their remediation.

- Northern Indiana Public Service Corporation (NIPSCO) is a charter member of the project and has always been one of its biggest supporters. Their recent gift of money for a computer, software and technical support has made inventorying and pre-Phase I assessments more cost effective and efficient.
- The project has begun to assist the Lake County Board of Commissioners in the redevelopment of brownfields throughout the county. The commissioners hope to develop a countywide master plan for brownfields redevelopment. The master plan concept already is in the develop-

ment stages for East Chicago, Gary and Hammond.

- In cooperation with the local chapters of the NAACP and the Urban League sororities and fraternities, the project is working to widen the brownfields information base, which has been especially helpful during public meetings.
- As part of the recently held community meetings, "pilot redevelopment sites" were selected in Gary and East Chicago. Both of these industrial sites are expected to become productive parts of the community by the end of the year.
- A Brownfields Informational Seminar is tentatively planned for mid-November.

The project is "turning today's brownfields into tomorrow's job opportunities." To learn more about the Northwest Indiana Brownfield Redevelopment Project, call (219) 397-5905 or write to NIBRP, 720 West Chicago Ave., Suite #211, East Chicago, IN 46312.

# Interagency Brownfields Advisory Team workshops

The Interagency Brownfields Advisory Team, a group of state agency representatives with resources for aiding in brownfields redevelopment, held two regional workshops this summer. One was held in Seymour on June 9 in conjunction with the Indiana Association of Cities and Towns' Local Government Environmental Workshop. Part of the day's agenda was devoted to brownfields financing and remediation. Representatives from the U.S. Department of Housing and Urban Development, Indiana Development Finance Authority and IDEM presented information on Brownfield Economic Development Initiative grants, Brownfield Site Assessment grants and the new forgivable loan subaccount, Brownfield Environmental Assessments, and the new Abandoned Tank Community Assistance Program.

Another workshop took place on July 27 in Kokomo. A half day session was dedicated to HUD, the Indiana Department of Commerce, IDFA, IDEM and the Indiana Department of Transportation. Information was presented on INDOT's Transportation Enhancement Program as well as those programs discussed at the June workshop.

The team provides community assistance to address specific brownfield issues. Communities are encouraged to seek the services of the team for guidance with brownfields redevelopment. For further information, please contact Kyle Hendrix or Tracy Concannon.



## Brownfields Program review

Since the Brownfields Program is fairly new at IDEM, now is a good time to review the accomplishments over the last two years.

Although IDEM initially received a grant of \$150,000 from the U.S. Environmental Protection Agency to conduct limited brownfields environmental assessments for communities throughout Indiana, neither staff nor dollars were allocated to align staff with this new initiative. In October 1997, with the arrival of then Commissioner John M. Hamilton and the new assistant commissioner for the Office of Environmental Response, Mary Beth Tuohy, the Brownfields Program was born.

Helping communities redevelop brownfields became a major initiative for the agency, and the staff of the Brownfields Program developed goals for the initiative. The program's main goal is to break down brownfield redevelopment barriers by partnering with communities to help promote the reuse of existing properties, recognize and clean up brownfields, and revitalize economically depressed areas. This goal is being accom-

plished through education, outreach, and technical and financial assistance.

Highlights from the last two years include conducting 12 brownfield workshops across the state, creating the IDEM Brownfields Web page, and publishing the *Brownfields Bulletin*. Technical assistance activities include completing 22 Brownfield Environmental Assessments, issuing 20 Comfort Letters, and reviewing and providing field oversight for brownfields grant and loan sites. Along with the Indiana Development Finance Authority, staff have reviewed 67 grant and loan applications and awarded over \$2 million in financial assistance for assessment and cleanup of brownfield sites.

The Brownfields Program will continue its efforts to develop new tools and work with federal, state and local governments to remove barriers in redeveloping brownfields.

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*The brownfield site shown above is now Showers Center at City Hall. Archive photo courtesy of the city of Bloomington.*

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## Environmental insurance can be tool for cleanup

New forms of environmental insurance that may affect brownfield sites have emerged in recent years. Environmental insurance is intended to limit liability associated with the discovery and cleanup of contaminated brownfields.

According to a recent report published by the U.S. Department of Housing and Urban Development, "Environmental Insurance for Brownfields Redevelopment: A Feasibility Study," there are five major classes of environmental insurance (listed below). Each plays a role in limiting uncertainty and quantifying risk at different stages of the redevelopment process:

- Professional Liability Coverage—for errors and/or omissions by public and private parties dealing with or managing contaminated land;
- Owner/Operator Liability Coverage—for firms or agencies actually working on the site;

- Cleanup Cost-Cap or Stop-Loss Coverage—places an upper limit on the costs of cleanup that site redevelopers may have to pay;
- Legal Defense Coverage—for lawsuits associated with liability claims made by enforcement agencies or third parties; and
- Re-opener or Regulatory Action Coverage—for costs associated with any future government actions that require further site cleanup.

Environmental insurance coverage can be used during any stage of brownfields redevelopment. Since it affects both access to capital and the conditions under which loans are made, coverage can contribute to site selection, remediation, new construction or rehabilitation, ongoing operations and refinancing stages.

Although the use of environmental insurance is growing, it is still a misunderstood and underused resource.

To order the entire feasibility study, call (800) 245-2691 or download it from HUD at [www.huduser.org/publications/econdev/envins.html](http://www.huduser.org/publications/econdev/envins.html).

## Brownfields Program Score Card



20

Comfort letters issued



1

Site Status letter issued



3

No Further Action letters issued



22

Assessments completed



54

Grants awarded



3

Loans approved

- The latest grant deadline was Aug. 20. The next *Brownfields Bulletin* will show awards given.

Next grant deadline: Feb. 2, 2000.

- IDEM no longer issues No Further Action letters. Site Status letters have been developed to answer environmental site status questions.

## Introducing IDEM's newest Brownfields Program staff members



LaNetta Alexander  
*Environmental Manager*



Keith Veal  
*Environmental Manager*



Sandy Bardes  
*Secretary*



Susan Tynes  
*Intern*

## In Brief

# Indiana joins federal Smart Growth initiative

On May 26, IDEM staff participated in a one day workshop in Chicago sponsored by U.S. Environmental Protection Agency Region 5 and the Smart Growth Network.

Smart Growth is not only the name of many state redevelopment initiatives, but also a way to curb or eliminate urban sprawl. The idea is as basic as the brownfields concept, preserving open space, farmland and greenfields by directing development toward existing buildings and reinvesting in established communities. Smart Growth aims to couple housing, transportation, and redevelopment with economic, environmental and societal issues. In addition to EPA, the U.S.

Departments of Transportation and Agriculture are involved in the effort.

The 3<sup>rd</sup> Annual Partners for Smart Growth Conference will be held November 17-19 in San Diego, Calif. Find more information on Smart Growth and the upcoming conference at

[www.smartgrowth.org](http://www.smartgrowth.org).

## Reminder . . .

The Brownfields '99 National Conference will be held Dec. 6-8 in Dallas, Texas. For more information, please see [www.epa.gov/swerosps/bf/bfconf](http://www.epa.gov/swerosps/bf/bfconf)



## Issues

# Gaining access to a brownfields property

A party engaged in redeveloping a brownfield will often perform investigations or other activities on the property before gaining legal title to it, to avoid incurring liability or because bankruptcy, abandonment or other circumstances make establishing clear title impossible.

In some cases, the owner might refuse to grant access to the property or no owner is identified.

Although the Indiana Brownfields Program does not require proof of ownership before providing assistance, the inability to gain access to a brownfield will inhibit its redevelopment. Thus, a party's inability to gain ownership or access might be considered when awarding grants or approving loans or Brownfields Environmental Assessments.

While IDEM typically will refrain from forcing a property owner to provide access, a party who needs access to perform brownfields revitalization activities has other options. One of the advantages of partnering with a political subdivision to redevelop a brownfield is that the municipality or county has independent means of gaining access, such as through a county board of health, the tax assessor or eminent domain. IDEM may be able to assist by providing the current owner or operator with information about brownfields and Indiana's Brownfields Program.

## Site Highlight

# Former brownfield now dedicated city park

Community leaders, area residents and state officials joined Mayor Bob McCallen at a ribbon cutting ceremony to dedicate [Five Points Park](#), Wabash's newest public landmark.

The property had been designated a brownfield. A gas station and eating establishments had operated at the site until it was abandoned in 1996.

A local citizen agreed to purchase the property with the intent to donate it for a community use.

City officials welcomed the proposed reuse of the property but were concerned about future liability because of possible environmental issues. The city oversaw the removal of the underground storage tanks and contaminated soil, and city workers demolished the building. IDEM then reviewed the cleanup and issued a comfort letter to the city, which enabled the transfer of the property in December 1998.

"This redevelopment project is an extraordinary example of cooperation between government agencies and the private sector," said Robert McCallen III, city attorney.

The beautifully landscaped park is located in a residential and commercial neighborhood at the intersection of Wabash and Stitt streets and Manchester Avenue.

When one of the children at the ceremony was asked about the benefit of the park, he replied, "It will be a wonderful place for my family to come and play."



**Brownfields Bulletin** is published quarterly by the Indiana Department of Environmental Management to inform local government officials, local business representatives and local interest groups about brownfields redevelopment initiatives and success stories from within and beyond the state. A brownfields site is an industrial or commercial

property that is abandoned, inactive or underutilized due to actual or perceived environmental contamination. IDEM's overall mission is to make Indiana a cleaner, healthier place to live. IDEM's brownfields initiative helps communities remove barriers for sustainable growth.

Comments and ideas are welcome; e-mail the IDEM Brownfields Program Section Chief Dana Reed Wise. To get on the mailing list, call (800) 451-6027, press 0 and ask for ext. 3-1044, or call (317) 233-1044.

### IDEM Brownfields Program Staff

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### Who Can Help

**Technical and educational assistance**  
**Indiana Department of Environmental Management**  
*Brownfields Program Staff* (listed at right)  
P.O. Box 6015  
Indianapolis, IN 46206-6015  
[www.state.in.us/idem/oyer/brownfields/index.html](http://www.state.in.us/idem/oyer/brownfields/index.html)

**Financial assistance**  
**Indiana Development Finance Authority**  
Greta Hawvermale, Program Manager  
One N. Capitol, Suite 320  
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[www.state.in.us/idfa/html/brownfields.html](http://www.state.in.us/idfa/html/brownfields.html)

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